



Department of Labor & Industries

Government Management, Accountability & Performance

March 2005

Mission: To promote a safe and healthful environment in which to work and live.

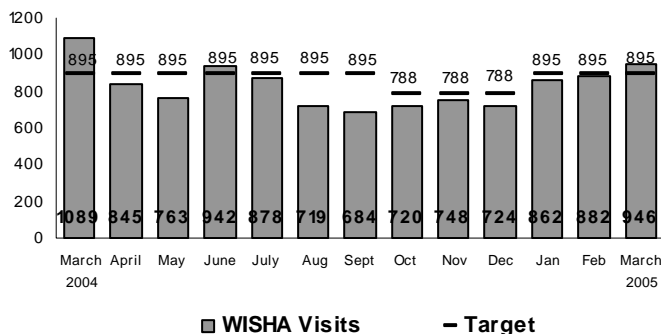
In partnerships with our customers, we strive to prevent injury, occupational illness and disability, and to limit economic hardship.

Our Highest Priorities:

- Preventing work-related injuries
- Returning injured workers to work as soon as possible
- Improving claims management
- Increasing employer involvement
- Combating fraud and abuse

Prevention: Employers Visited

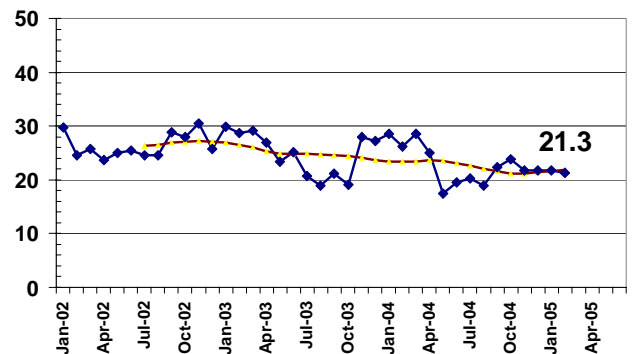
G How many employers do we visit?



Claims Operations: Timeliness

Y Average Days to Allow or Deny Claims - 21.3 days – target 20 days

80%+ of the Claims have a Decision Made Within 6-8 days



2004 Operating Environment:

Employers Insured:	158,000
Workers Covered:	1,850,000
Hours Reported:	2,909,795,000
Claim Costs Incurred:	\$1,584,660,000

Claim Statistics:

Total Claims Filed During 2004:	137,834
Open Claims as of February 2005:	56,780
Medical-Only Open Claims as February 2005:	12,585
Active Claims Receiving Wage Replacement	18,419
Claim Manager Workload as of February 2005:	242 claims

Most Frequent Injuries in 2004:

Cut/Abrasion on the Hand/Finger:	17,632
Sprain/Strain Back:	16,192
Sprain/Strain Lower Back Extremities:	6,951
Eye Injuries:	6,060
Sprain/Strain Trunk:	5,530

FY 2003-05 Budget/FTEs:

Total Budget \$476.8 Million, variance to date \$5.7 million or 1.46%

Total FTEs – 2709.1

Risk Management:

G Injuries: 91 claims at the end of the calendar year
(This is an 11% reduction in claims from CY03)

State Auditor's Office:

Y 5 Findings for Fiscal Year 2004 – corrective action plans submitted to OFM

Information Technology Projects

Y ORCA Integrated Document Management –Given the aggressiveness of the schedule and the complexity of the project, this project is a medium risk.



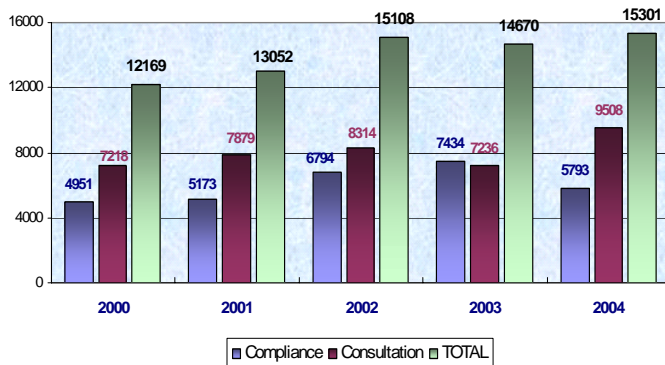
Department of Labor & Industries

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Prevention: Hazards Fixed

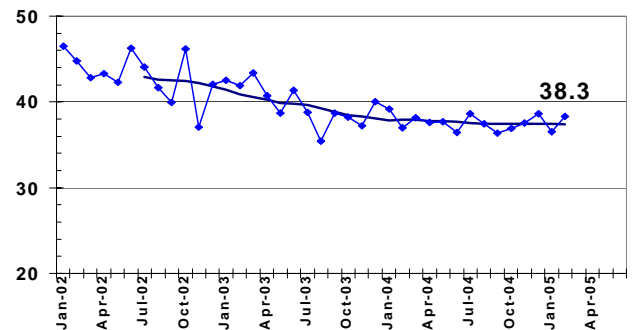
G How many serious hazards did we identify and get fixed when we visited employers?



Claims Operations: Timeliness

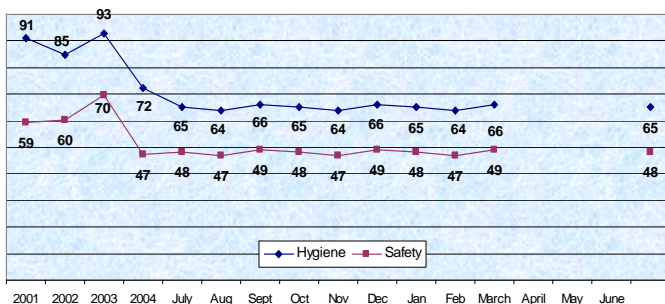
G Average number of days from the date of disability until we pay wage replacement – 38.3 days

Average days from injury to claim receipt = 21.5 days
50% of time loss benefits are made within 21 days of the date of disability



Prevention: Timeliness

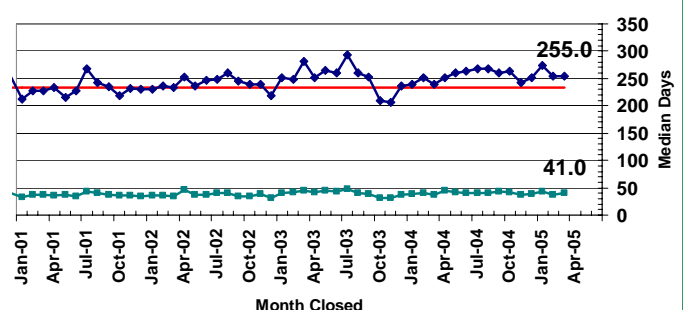
Y How long did it take us to issue citation if we found a hazard? -Target for Safety – 48 days, Health – 65 days



Claims Operations: Length of Claims

Info The median number of days we pay wage replacement benefits to injured worker is 41 days. The median number of days the claim is open is 255 days

All Time-loss Claims Closed (Excluding Pensions)



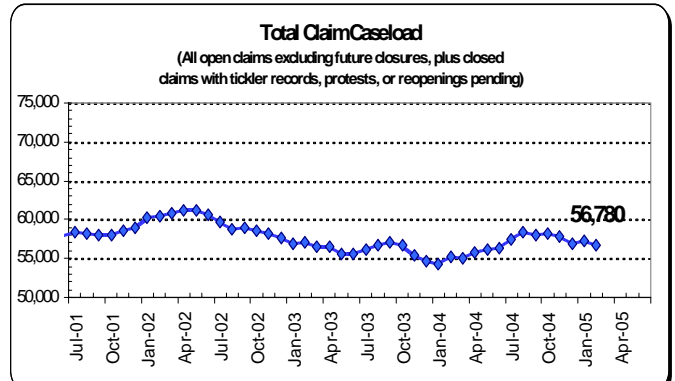
Prevention: Injuries Reduced

G Did we reduce the claims rate for employers after we visited?

	2003	2004
Annual Goal: Reduce the average compensable claims rate for employers with targeted WISHA enforcement or consultation visits	Fixed sites: at least 10% more than overall decrease. For non-fixed sites, at least 5% more than the overall decrease.	Fixed sites: at least 10% more than overall decrease. For non-fixed sites, at least 7% more than the overall decrease
Results:	Rates decreased 29.9% more for fixed sites. Rates decreased 18.4% more for non-fixed sites.	Rates decreased 7.8% more for fixed sites. Rates decreased 14.5% more for non-fixed sites.

Claims Operations: Caseload

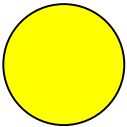
Info How many open claims we do have?

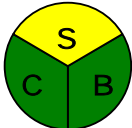


QUARTERLY REVIEW – IT INITIATIVES
FOR THE QUARTER ENDING 12/31/2004
(On-going Project Assessment)

TEAM NAME: Workers Comp Benefit Policy & Operations

PROJECT NAME: **ORCA - Integrated Document Management (IDM)**

OVERALL PROJECT RATING	PROJECT DESCRIPTION
Yellow 	The ORCA – Integrated Document Management Project replaces the existing WISE imaging system with an enterprise Integrated Document Management (IDM) system that will be web-based allowing access by external customers. (Started 7-1-03, Completion 6-30-05)

PROJECT ASSESSMENT	ASSESSMENT EXPLANATION
	<p>Budget: Green - The estimated effort to complete the project is on track.</p> <p>Schedule: Yellow - The project is on track to meet the new schedule that was developed and approved by the Executive Steering Committee. While still very aggressive, the project has been progressing in a timely manner. Given the aggressiveness of the schedule and the complexity of the project, I would continue to rate the schedule as yellow.</p> <p>Confidence: Green - 86% of the respondents rated the project green and 14% as yellow. The Average Score was 4.0 resulting in a green confidence rating. This an improvement again over the previous quarter's rating.</p>

ACTION PLAN
<ol style="list-style-type: none"> 1) Gartner Consulting continues to assist with schedule management. In addition, key project staff continue to have daily check-ins to monitor tasks and progress and resolve emerging issues. 2) Key management staff members meet weekly to review status, address issues and take a “three week look ahead”. 3) The key areas being focused on are user acceptance testing, training and change management (preparing the Claims staff for the upcoming change). The primary activities underway include: <ul style="list-style-type: none"> o Contracting with a training and change management consultant who will work with the customers to develop a plan and materials for preparing staff. o A draft of the training materials has been completed by FileNet and are currently being reviewed by the customers. o “Change agents” have been identified in each of the Claims units, and they are involved in the development of the materials being created by the change management consultant. o The client leads are meeting on a weekly basis with the Claims Operations Managers to address issues and prepare them for the upcoming changes. o The user acceptance test plan and a test scripts are complete. Staff (in addition to the project staff) have been identified who will assist with the testing.

PERFORMANCE MEASURES: 10-01-04 to 12-31-04

Workers Compensation Claim Operations

	Measurable Targets	First Quarter 9/30/04	Second Quarter 12/31/04	Third Quarter 3/31/05	Fourth Quarter 6/30/05	Comments
Info	Open active claims at 0-1 year (add) and 1, 3, and 5 years Baseline as of 6/30/2003 0-1 Yrs: 5,975 1-3 Yrs: 5,526 3-5 Yrs: 2,527 > 5 Yrs: 3,347	0-1 Yrs: 6,331 1-3 Yrs: 5,435 3-5 Yrs: 2,723 5+ Yrs: 3,629	0-1 Yrs: 6,297 1-3 Yrs: 5,293 3-5 Yrs: 2,830 5+ Yrs: 3,720	0-1 Yrs: 1-3 Yrs: 3-5 Yrs: 5+ Yrs:	0-1 Yrs: 1-3 Yrs: 3-5 Yrs: 5+ Yrs:	Russ Redding
Info	Total number of incoming claims (State Fund) FY03 Baseline 140,710	Actual: 138,970	Actual: 138,145*	Actual:	Actual:	Russ Redding
Yellow Red	Average caseloads for CM2s & 3s in compensable units only Target CM2: 225-250 Target CM3: 185-200 FY03 Baseline: CM2: 241 CM3: 243	Actual: CM2: 217 CM3: 251	Actual: CM2: 262 CM3: 249	Actual: CM2: CM3:	Actual: CM2: CM3:	Russ Redding We intend to give all staff about 225 claims and then carefully monitor results
Yellow	Increase the percentage of time loss claims closed appropriately within 180 days Baseline: 48.96% Governor's Scorecard	Target: 48% Actual: 48.79%	Target: 49% Actual: 48.42%	Target: 48%	Target: 49%	Russ Redding Median number of days benefits are paid: 40 days
Info	Median number of time loss days per claim closed during the Fiscal Year (number of work days lost due to workplace injuries or disease. Agency Activity Inventory: FY03: 39 days; FY04: 39 days	Actual: 41 days	Actual: 40 days	Actual:	Actual:	Russ Redding
Info	Average days from receipt to final department decision on all claims Agency Activity Inventory: FY03: 33 FY04: 29	Actual: 24.0 days	Actual: 29.5 days	Actual:	Actual:	Russ Redding Seasonal: This is overall the same as last year at this time.
Yellow	Timely payment of initial wage replacement benefits. Measures: The % of claims where the initial payment of benefits to a worker is made within 14 days of receipt of the date of accident at L&I. Agency Activity Inventory: FY03: 91%; FY04: 93.6%	Target: 95% Actual: 92.8%	Target: 95% Actual: 92.4%	Target: 95% Actual:	Target: 95% Actual:	Russ Redding

	Measurable Targets	First Quarter 9/30/04	Second Quarter 12/31/04	Third Quarter 3/31/05	Fourth Quarter 6/30/05	Comments
Green	Increase the number of injured workers who return to work after L&I makes early contact with them and their employers. Agency Activity Inventory and Governor's Scorecard	Target: 550 Actual: 742, or 19.8% of those referred	Target: 550 Actual: 582, or 15.4% of those referred	Target: 550	Target: 550	Russ Redding
Green	Improve Voc processes: • Reduce time between date of disability and first "early intervention" by 10%.	Target: Reduce to 98 days Actual: 63 days Reduced by 38 days	Target: Reduce to 95 days Actual: 60 days Reduced by 41 days	Target: Reduce to 93 days Actual:	Target: Reduce to 91 days Actual:	FY04 Baseline for early intervention: Median FY '04 101 days
Green	• Reduce time between date of disability and first "ability to work analysis" by 10%.	Target: Reduce to 314 days Actual: 296 days Reduced by 26 days	Target: Reduce to 306 days Actual: 286 days Reduced by 36 days	Target: Reduce to 297 days Actual:	Target: Reduce to 290 days Actual:	FY04 Baseline for ability to work assessment: Median FY '04 322 days
Yellow	Timeloss maintenance ratio (inactive/active timeloss claims) Target: 1.0 > Actual: .93 of (4,376/4,723)	Target: >1.0 Actual: 1.03, or (4,673/4,538)	Target: >1.0 Actual: 0.93 or (4,302/4,623)	Target: >1.0 Actual:	Target: >1.0 Actual:	Russ Redding We plan for Claims Mngrs to focus on closures over the next quarter.
Red	Total timeloss claims resolution rate Baseline FY03 9.0%	Target: 9.5% Actual: 8.2%	Target: 9.5% Actual: 8.3%	Target: 9.5% Actual:	Target: 9.5% Actual:	Russ Redding We expect that continued realignment of Operations Managers will result in increased closures.
Yellow	Timeliness of Appeals Processing: Percentage of reassumed appeals completed within 60 days	Target: 85% Actual: 86%	Target: 85% Actual: 82%	Target: 85% Actual:	Target: 85% Actual:	Russ Johnson Due to an increase in staff leave due to illness and the holiday during this quarter, the goal was not met. Team A had one vacant CC work position for the entire quarter.

Agency FTEs Activity Summary FY2005								
July 2004 through February 28, 2005								
Activity	FY2005 Allotment To Date	FY2005 Assumed Vacancy Rate FTE %	Attrition	Authorized to Hire	Expenditures to date	Authorized to Hire Variance	Actual Vacancy Rate	F l a g
1-Administration/Information Services	491.7	6.6	1.3%	498.3	478.1	20.2	4.0%	Red
2-Worker Comp Claims Operations	778.2	20.2	2.5%	798.4	792.1	6.4	0.8%	.
3-Other Worker Comp Related Activities	327.0	9.5	2.8%	336.5	327.5	8.9	2.7%	.
4-Fraud Prevention and Compliance	206.7	3.3	1.6%	210.0	215.1	(5.1)	-2.4%	Yellow
5-WISHA (Prevention) Activities	358.2	12.0	3.2%	370.2	359.4	10.8	2.9%	.
6-Field Office Customer Support	136.6	6.0	4.2%	142.6	141.3	1.3	0.9%	.
7-Specialty Compliance Services Activities	358.0	0.7	0.2%	358.7	352.8	5.9	1.6%	.
8-Crime Victims Compensation	44.0	0.0	0.0%	44.0	42.8	1.2	2.7%	.
Attrition Target	(67.1)		67.1	0.0				.
Agency Total	2,633.3	58.3	2.1%	2,758.7	2,709.1	49.6	1.8%	.

Red Flag = vacancy rate is 2% higher than assumed vacancy rate for subprogram (if applicable), activity or division AND must be more than 4 FTE variance

Yellow Flag = have hired above authorized to hire by 1 or more FTEs

DEPARTMENT OF LABOR AND INDUSTRIES
Agency Projected Allotment Balances by Activity

Actuals through February 28, 2005

Report #3

Agency by Activity	2003-05 BN Total Allotments	2003-05 Allotments To Date	2003-05 Expenditures To Date	2003-05 Variance to Date	2003-05 Variance % to Date
1-Administration/AG/Information Services	160,944,920	132,136,484	126,939,776	5,196,708	4%
2-Worker Comp Claims Operations	90,626,525	75,720,723	76,425,745	(705,022)	-1%
3-Other Worker Comp Benefit	45,128,920	37,638,894	36,347,082	1,291,812	3%
4-Fraud Prevention and Compliance	22,746,135	18,733,240	18,411,723	321,517	2%
5-WISHA (Prevention) Activities	51,792,646	43,098,021	42,133,662	964,359	2%
6-Field Office Customer Support	24,551,179	20,443,415	19,863,612	579,803	3%
7-Specialty Compliance Services Activities	50,827,162	42,359,061	41,557,434	801,627	2%
8-Crime Victims' Compensation	30,214,408	25,052,940	27,737,984	(2,685,044)	-11%
Total Agency	476,831,895	395,182,778	389,417,018	5,765,760	1.46%

Department of Labor and Industries
Projected Allotment Balances by Activity

Actuals June 30, 2004 through February 28, 2005

Report #4

Activity	All Funds								
	2003-05 Variance to Date Jun-04	2003-05 Variance to Date Sep-04	2003-05 Variance to Date Dec-04	2003-05 Variance to Date Feb 05		2003-05 End of Bien Projection June-04	2003-05 End of Bien Projection Sep-04	2003-05 End of Bien Projection Dec-04	2003-05 End of Bien Projection Feb-05
1-Administration/Information Services	4,991,044	5,698,957	3,848,992	5,196,708		3,669,822	2,141,930	2,076,293	#REF!
2-Worker Comp. Benefit Policy & Operations	279,852	(143,373)	(482,424)	(705,022)		(152,159)	(954,770)	(1,106,874)	#REF!
3-Other Worker Comp. Related Activities *Includes old Premium Assesment Category	2,002,355	1,426,924	1,285,575	1,291,812		(428,563)	27,833	265,768	#REF!
4-Fraud Prevention and Compliance	0	359,821	439,206	321,517		0	(716,931)	(471,985)	#REF!
5-WISHA Activities	473,384	369,939	798,925	964,359		(180,872)	610,505	911,209	#REF!
6-Field Office Customer Support	627,091	568,107	540,360	579,803		696,408	531,020	21,460	#REF!
7-SCS Activities	479,077	432,693	606,413	801,627		140,201	413,590	605,140	#REF!
8-Crime Victims' Compensation	(1,055,678)	(2,264,151)	(1,957,996)	(2,685,044)		(3,789,303)	(1,813,957)	(2,691,624)	#REF!
TOTAL	7,797,125	6,448,917	5,079,052	5,765,760		(44,466)	239,220	(390,613)	#REF!

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Department of Labor and Industries

Projected Allotment Balances by Activity

Actuals June 30, 2004 through January 31, 2005

Report #4

Activity	All Funds								
	2003-05 Variance to Date Jun-04	2003-05 Variance to Date Sep-04	2003-05 Variance to Date Dec-04	2003-05 Variance to Date Jan 05		2003-05 End of Bien Projection June-04	2003-05 End of Bien Projection Sep-04	2003-05 End of Bien Projection Dec-04	2003-05 End of Bien Projection Jan-05
1-Administration/Information Services	4,991,044	5,698,957	3,848,992	4,201,023		3,669,822	2,141,930	2,076,293	2,246,239
2-Worker Comp. Benefit Policy & Operations	279,852	(143,373)	(482,424)	(651,281)		(152,159)	(954,770)	(1,106,874)	(1,089,285)
3-Other Worker Comp. Related Activities *Includes old Premium Assesment Category	2,002,355	1,426,924	1,285,575	1,308,757		(428,563)	27,833	265,768	282,903
4-Fraud Prevention and Compliance	0	359,821	439,206	364,264		0	(716,931)	(471,985)	(541,248)
5-WISHA Activities	473,384	369,939	798,925	1,034,177		(180,872)	610,505	911,209	962,546
6-Field Office Customer Support	627,091	568,107	540,360	566,551		696,408	531,020	21,460	126,437
7-SCS Activities	479,077	432,693	606,413	736,084		140,201	413,590	605,140	678,902
8-Crime Victims' Compensation	(1,055,678)	(2,264,151)	(1,957,996)	(2,697,800)		(3,789,303)	(1,813,957)	(2,691,624)	(3,441,653)
TOTAL	7,797,125	6,448,917	5,079,052	4,861,775		(44,466)	239,220	(390,613)	(775,159)

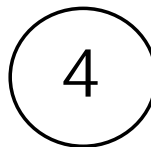
Department of Labor and Industries

Projected Allotment Balances by Activity

Actuals through November 2004

Report #4

	All Funds						
Activity	2003-05 Variance to Date Jun-04	2003-05 Variance to Date Oct-04	2003-05 Variance to Date Nov-04		2003-05 Projected Balance June-04	2003-05 Projected Balance Oct-04	2003-05 Projected Balance Nov-04
1-Administration/Information Services	4,991,044	4,657,849	5,196,708		3,669,822	2,166,691	#REF!
2-Worker Comp. Benefit Policy & Operations	279,852	(172,311)	(705,022)		(152,159)	(886,043)	#REF!
3-Other Worker Comp. Related Activities *Includes old Premium Assesment Category	2,002,355	1,198,961	1,291,812		(428,563)	152,952	#REF!
4-Fraud Prevention and Compliance	0	517,437	321,517		0	(572,741)	#REF!
5-WISHA Activities	473,384	721,875	964,359		(180,872)	806,453	#REF!
6-Field Office Customer Support	627,091	564,619	579,803		696,408	485,704	#REF!
7-SCS Activities	479,077	494,815	801,627		140,201	494,687	#REF!
8-Crime Victims' Compensation	(1,055,678)	(2,276,320)	(2,685,044)		(3,789,303)	(1,865,029)	#REF!
TOTAL	7,797,125	5,706,925	5,765,760		(44,466)	782,674	#REF!



Department of Labor and Industries

Projected Allotment Balances by Activity

Actuals through October 2004

Report #4

	All Funds						
Activity	2003-05 Variance to Date Jun-04	2003-05 Variance to Date Sept-04	2003-05 Variance to Date Oct-04		2003-05 Projected Balance June-04	2003-05 Projected Balance Sept-04	2003-05 Projected Balance Oct-04
1-Administration/Information Services	4,991,044	5,698,958	4,657,849		3,669,822	2,141,930	2,166,691
2-Worker Comp. Benefit Policy & Operations	279,852	(107,128)	(172,311)		(152,159)	(954,770)	(886,043)
3-Other Worker Comp. Related Activities *Includes old Premium Assesment Category	2,002,355	(1,201,114)	1,198,961		(428,563)	27,833	152,952
4-Fraud Prevention and Compliance	0	(109,407)	517,437		0	(716,931)	(572,741)
5-WISHA Activities	473,384	369,939	721,875		(180,872)	610,505	806,453
6-Field Office Customer Support	627,091	568,107	564,619		696,408	531,020	485,704
7-SCS Activities	479,077	432,693	494,815		140,201	413,590	494,687
8-Crime Victims' Compensation	(1,055,678)	(2,264,151)	(2,276,320)		(3,789,303)	(1,813,957)	(1,865,029)
TOTAL	7,797,125	3,387,897	5,706,925		(44,466)	239,220	782,674